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August 9, 2019

**VIA HAND DELIVERY & ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

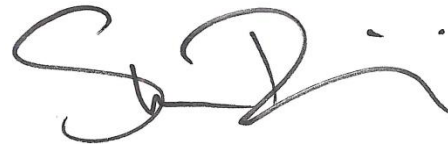
**RE: Docket 4955 - 2019 Gas Revenue Decoupling Mechanism Reconciliation  
Responses to Division Data Requests – Set 1**

Dear Ms. Massaro:

Enclosed please find 10 copies of National Grid's<sup>1</sup> responses to the First Set of Data Requests issued by the Division of Public Utilities and Carriers in the above-referenced matter.

Thank you for your attention to this matter. If you have any questions, please contact me at (401) 709-3359.

Sincerely,



Steve J. Boyajian

Enclosure

cc: Docket 4955 Service List  
John Bell, Division  
Al Mancini, Division  
Jerome Miezwa,  
Leo Wold, Esq.

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Brittney Keophoxay

August 9, 2019

Date

**Docket No. 4955 – National Grid –2019 Annual Distribution Adjustment Charge Filing (DAC) - Service List as of 7/29/19**

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<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Margaret Hogan, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
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	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
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The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4955  
In Re: 2019 Gas Revenue Decoupling Mechanism Reconciliation  
Responses to the Division's First Set of Data Requests  
Issued July 19, 2019

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Division 1-1

Request:

Please provide the actual number of customers per month, per rate class categories used in the RDM, for the years 2015-16, 2016-17, and 2017-18.

Response:

Please see Attachment DIV 1-1.

**Actual Customer Count per Month, per Rate Class - FY2016, FY2017, & FY2018**

	<u>Apr-2015</u> (a)	<u>May-2015</u> (b)	<u>Jun-2015</u> (c)	<u>Jul-2015</u> (d)	<u>Aug-2015</u> (e)	<u>Sep-2015</u> (f)	<u>Oct-2015</u> (g)	<u>Nov-2015</u> (h)	<u>Dec-2015</u> (i)	<u>Jan-2016</u> (j)	<u>Feb-2016</u> (k)	<u>Mar-2016</u> (l)
<u>Reference</u>												
(1) Residential Non-Heat	Dkt 4634, SLN-2, Pg. 1, Ln 3	21,854	21,766	21,207	21,706	21,773	21,746	21,806	21,853	21,931	22,008	22,144
(2) Residential Non-Heat - Low Income	Dkt 4634, SLN-2, Pg. 1, Ln 15	452	468	408	457	452	435	421	413	405	407	263
(3) Residential Heating	Dkt 4634, SLN-2, Pg. 2, Ln 39	193,207	191,494	191,445	190,851	191,023	191,368	192,871	194,958	196,482	197,596	205,450
(4) Residential Heating - Low Income	Dkt 4634, SLN-2, Pg. 2, Ln 51	21,921	22,554	22,216	21,700	21,198	20,672	20,292	19,980	19,718	19,485	11,951
(5) Small C&I	Dkt 4634, SLN-2, Pg. 3, Ln 75	18,903	18,711	18,534	18,451	18,426	18,393	18,568	18,843	19,055	19,232	19,212
(6) Medium C&I	Dkt 4634, SLN-2, Pg. 3, Ln 87	4,848	4,848	4,834	4,829	4,797	4,809	4,841	4,859	4,880	4,899	4,906
	<u>Apr-2016</u> (a)	<u>May-2016</u> (b)	<u>Jun-2016</u> (c)	<u>Jul-2016</u> (d)	<u>Aug-2016</u> (e)	<u>Sep-2016</u> (f)	<u>Oct-2016</u> (g)	<u>Nov-2016</u> (h)	<u>Dec-2016</u> (i)	<u>Jan-2017</u> (j)	<u>Feb-2017</u> (k)	<u>Mar-2017</u> (l)
<u>Reference</u>												
(1) Residential Non-Heat	Dkt 4708, AEL-2, Pg. 1, Ln 3	20,635	20,639	19,400	19,038	19,051	19,072	19,115	19,191	19,250	19,252	19,308
(2) Residential Non-Heat - Low Income	Dkt 4708, AEL-2, Pg. 1, Ln 15	391	423	313	254	246	247	243	236	235	233	226
(3) Residential Heating	Dkt 4708, AEL-2, Pg. 2, Ln 39	200,370	198,745	199,038	199,345	199,329	199,718	200,965	202,786	204,265	205,147	206,060
(4) Residential Heating - Low Income	Dkt 4708, AEL-2, Pg. 2, Ln 51	18,299	19,168	19,299	19,049	18,716	18,483	18,194	17,919	17,660	17,419	17,050
(5) Small C&I	Dkt 4708, AEL-2, Pg. 3, Ln 75	19,134	19,032	18,846	18,738	18,599	18,586	18,742	18,961	19,196	19,289	19,296
(6) Medium C&I	Dkt 4708, AEL-2, Pg. 3, Ln 87	4,903	4,895	4,878	4,878	4,936	4,964	4,996	5,013	5,039	5,048	5,068
	<u>Apr-2017</u> (a)	<u>May-2017</u> (b)	<u>Jun-2017</u> (c)	<u>Jul-2017</u> (d)	<u>Aug-2017</u> (e)	<u>Sep-2017</u> (f)	<u>Oct-2017</u> (g)	<u>Nov-2017</u> (h)	<u>Dec-2017</u> (i)	<u>Jan-2018</u> (j)	<u>Feb-2018</u> (k)	<u>Mar-2018</u> (l)
<u>Reference</u>												
(1) Residential Non-Heat	Dkt 4846, AEL-2, Pg. 1, Ln 3	19,292	19,196	19,125	19,086	19,067	18,725	18,333	18,400	18,420	18,389	18,373
(2) Residential Non-Heat - Low Income	Dkt 4846, AEL-2, Pg. 1, Ln 15	262	306	318	321	320	281	211	206	212	219	238
(3) Residential Heating	Dkt 4846, AEL-2, Pg. 2, Ln 39	203,897	201,692	200,727	200,418	200,583	201,524	204,611	206,954	208,274	209,430	209,526
(4) Residential Heating - Low Income	Dkt 4846, AEL-2, Pg. 2, Ln 51	19,038	20,347	20,312	20,163	19,817	19,422	17,282	16,717	16,424	16,380	16,318
(5) Small C&I	Dkt 4846, AEL-2, Pg. 3, Ln 75	19,154	18,983	18,835	18,748	18,668	18,640	18,702	18,986	19,149	19,283	19,263
(6) Medium C&I	Dkt 4846, AEL-2, Pg. 3, Ln 87	5,063	5,051	5,042	5,038	5,056	5,074	5,080	5,109	5,123	5,132	5,140

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4955  
In Re: 2019 Gas Revenue Decoupling Mechanism Reconciliation  
Responses to the Division's First Set of Data Requests  
Issued July 19, 2019

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Division 1-2

Request:

Please calculate and provide the annual incremental amount (if any) of base distribution revenue from the large C&I customer class that has occurred annually beginning in 2015-16 through the period applicable to the RDM reconciliation in this docket, using the annual total base distribution revenue for 2014-15 as the initial baseline. If using calendar year revenue is more convenient to extract, you may provide by calendar years 2015, 2016, 2017, and 2018 (using 2014 as the initial baseline).

Response:

Please see Attachment DIV 1-2, which details the annual fiscal year base distribution increase for Large and Extra-Large<sup>1</sup> C&I rate classes. The annual base distribution revenue increase for FY 19 as compared to the FY 18 amount of \$4.7 million is driven by the implementation of new base distribution rates effective September 1, 2018 pursuant to RIPUC Docket No. 4770, and the transfer of the recovery of capital investment from the FY 19 Gas Infrastructure, Safety, and Reliability (ISR) factors to base distribution rates on September 1, 2018. The analysis presented in Attachment DIV 1-2 is limited to base distribution revenue and does not reflect the reduction in ISR revenue resulting from the elimination of the ISR factors effective September 1, 2018.

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<sup>1</sup> In this response, the Company included both Large and Extra-Large C&I rate classes, which are not included in the RDM calculation.

**Annual Incremental Revenue for Large C&I and Extra Large C&I Customers**

<u>Actual Base Distribution Revenue</u>	<u>Total (Apr - Mar)</u> (a)
(1) Large C&I/Extra Large C&I Annual Revenue - Fiscal Year 2015	\$19,985,908
(2) Large C&I/Extra Large C&I Annual Revenue - Fiscal Year 2016	\$19,471,550
(3) Large C&I/Extra Large C&I Annual Revenue - Fiscal Year 2017	\$19,784,117
(4) Large C&I/Extra Large C&I Annual Revenue - Fiscal Year 2018	\$19,230,795
(5) Large C&I/Extra Large C&I Annual Revenue - Fiscal Year 2019	\$23,905,150
<u>Incremental Base Distribution</u>	
(6) Decrease in Large C&I/Extra Large C&I Base Distribution Revenue from FY15 to FY16	(\$514,357)
(7) Decrease in Large C&I/Extra Large C&I Base Distribution Revenue from FY16 to FY17	\$312,567
(8) Decrease in Large C&I/Extra Large C&I Base Distribution Revenue from FY17 to FY18	(\$553,322)
(9) Increase in Large C&I/Extra Large C&I Base Distribution Revenue from FY18 to FY19*	\$4,674,355

\* Per the Company's 2017 rate case in Docket No. 4770, new base distribution rates went into effect September 1, 2018

- (1)-(5) Company Revenue Reports
- (6) Line (2) - Line (1)
- (7) Line (3) - Line (2)
- (8) Line (4) - Line (3)
- (9) Line (5) - Line (4)

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Division 1-3

Request:

Please provide the new Target Revenue-per-Customer by rate class sector that will be used in the next RDM that will be filed by the Company for the months of April 2019 through March 2020, and provide a schedule showing the calculations and source information for the calculations.

Response:

Please see Attachment DIV 1-3 for the most recently approved Target Revenue-per-Customer (RPC) for April 2019 through March 2020, as filed in the Company's Excess Deferred Income Tax True-Up Second Compliance filing in Docket Nos. 4770 on May 30, 2019. These Target RPCs will be updated before the next RDM filing to reflect the actual number of new customers and actual growth capital from Rate Year 1 of the Company's rate case in Docket No. 4770, as agreed to in the Amended Settlement Agreement Article II.C.22.c at 81-82.



**Revenue Per Customer for FY2020 RDM**

	<u>Apr-2019</u>	<u>May-2019</u>	<u>Jun-2019</u>	<u>Jul-2019</u>	<u>Aug-2019</u>	<u>Sep-2019</u>	<u>Oct-2019</u>	<u>Nov-2019</u>	<u>Dec-2019</u>	<u>Jan-2020</u>	<u>Feb-2020</u>	<u>Mar-2020</u>	<u>Apr 19 - Mar 20</u>
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
<b>Residential Non-Heat</b>													
(1) Number of Customers	16,842	16,791	16,742	16,707	16,686	17,323	17,314	17,273	17,225	17,144	17,034	16,952	
(2) Final Revenue Requirement	\$494,746	\$403,829	\$349,187	\$318,511	\$310,427	\$331,568	\$347,335	\$388,424	\$463,003	\$515,314	\$502,592	\$602,145	
(3) Revenue Per Customer	\$29.37	\$24.05	\$20.85	\$19.06	\$18.60	\$19.14	\$20.06	\$22.48	\$26.87	\$30.05	\$29.50	\$35.52	\$296
<b>Residential Heat</b>													
(4) Number of Customers	229,423	229,132	228,571	227,825	227,183	223,841	224,029	224,567	225,660	227,181	228,469	229,303	
(5) Final Revenue Requirement	\$14,910,485	\$8,898,606	\$6,305,396	\$5,404,258	\$5,207,333	\$5,414,094	\$5,981,516	\$10,312,910	\$16,546,127	\$21,999,466	\$23,807,536	\$21,142,360	
(6) Revenue Per Customer	\$64.99	\$38.83	\$27.58	\$23.72	\$22.92	\$24.18	\$26.69	\$45.92	\$73.32	\$96.83	\$104.20	\$92.20	\$641
<b>Small C&amp;I</b>													
(7) Number of Customers	19,608	19,544	19,429	19,272	19,117	19,003	18,915	18,966	19,086	19,289	19,487	19,601	
(8) Final Revenue Requirement	\$1,846,203	\$1,036,531	\$832,573	\$689,657	\$675,394	\$705,073	\$761,419	\$1,159,759	\$2,085,258	\$2,717,093	\$2,833,571	\$2,613,944	
(9) Revenue Per Customer	\$94.15	\$53.03	\$42.85	\$35.78	\$35.32	\$37.10	\$40.25	\$61.14	\$109.25	\$140.86	\$145.40	\$133.35	\$928
<b>Medium C&amp;I</b>													
(10) Number of Customers	5,220	5,227	5,236	5,244	5,253	5,146	5,153	5,162	5,173	5,188	5,201	5,211	
(11) Final Revenue Requirement	\$2,393,968	\$1,869,253	\$1,481,196	\$1,513,902	\$1,511,367	\$1,482,045	\$1,646,756	\$1,962,399	\$2,691,859	\$3,216,037	\$3,113,198	\$3,033,237	
(12) Revenue Per Customer	\$458.61	\$357.61	\$282.88	\$288.69	\$287.71	\$287.99	\$319.57	\$380.16	\$520.36	\$619.89	\$598.57	\$582.08	\$4,984
(1)(a)-(1)(e)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (1)					(7)(a)-(7)(e)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (7)						
(1)(f)-(1)(l)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (13)					(7)(f)-(7)(l)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (19)						
(2)(a)-(2)(e)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (2)					(8)(a)-(8)(e)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (8)						
(2)(f)-(2)(l)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (14)					(8)(f)-(8)(l)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (20)						
(3)	Line (2) / Line (1), truncated to 2 decimal places					(9)	Line (8) / Line (7), truncated to 2 decimal places						
(4)(a)-(4)(e)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (4)					(10)(a)-(10)(e)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (10)						
(4)(f)-(4)(l)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (16)					(10)(f)-(10)(l)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (22)						
(5)(a)-(5)(e)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (5)					(11)(a)-(11)(e)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (11)						
(5)(f)-(5)(l)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (17)					(11)(f)-(11)(l)	Docket 4770, Excess ADIT Second Compliance, Attachment 16, Pg 10, Ln (23)						
(6)	Line (5) / Line (4), truncated to 2 decimal places					(12)	Line (11) / Line (10), truncated to 2 decimal places						

The Narragansett Electric Company  
d/b/a National Grid  
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Division 1-4

Request:

Please provide the Company's understanding of why the number of residential heating customers (including low income) being counted in the RDM decreased for the months of May and June, then increased again for the months of October and November. (For example, do customers terminate or have their accounts terminated in the spring and open new accounts when the heating season begins? Or does the Company count customers differently in the non-heating season? Or some other reason? Please explain.)

Response:

The number of residential heating customers (including low income) has historically decreased by less than one percent during the period April through June. A possible explanation for the decrease in Residential Heating customers in May and June is the lifting of the termination moratorium, which restricts the Company from terminating service to customers during the winter months. On May 1 of each year the moratorium is lifted, and the Company may terminate service to customers for nonpayment.

As the year progresses, customers whose service was terminated often reapply for service for the winter months, when the termination moratorium is reinstated. It is possible that there would be a delay between the initial termination and reactivation of these accounts because there is generally less of a critical need for gas heating during the summer.

In addition to this explanation, customer counts typically fluctuate from month to month due to the natural ebb and flow of additions and losses of customers.

The Narragansett Electric Company  
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In Re: 2019 Gas Revenue Decoupling Mechanism Reconciliation  
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Division 1-5

Request:

Please provide the Company's understanding of why the number of small C&I customers being counted in the RDM decreased for six consecutive months from April through September, then increased again for the months of October through March.

Response:

The number of customers in a rate class can fluctuate from month to month for several reasons. However, a possible explanation for the decrease in Small C&I customers is the lifting of the termination moratorium on May 1. Although the moratorium does not apply to C&I customers, the Company is generally more active in terminating C&I accounts for nonpayment during the summer months because it increases seasonal collections staff after the moratorium is lifted. These customers typically reapply for service after being disconnected, resulting in a corresponding increase in customers later in the fall.

In addition to this explanation, customer counts typically fluctuate from month to month due to the natural ebb and flow of additions and loss of customers.

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Division 1-6

Request:

Please provide the Company's understanding of why the number of Medium C&I customers increased by 78 in August 2018?

Response:

Pursuant to its tariff, the Company performs a study in August of each year to identify and transfer customers that are on a rate class that is not the most appropriate for their usage, based on their usage for the prior year.<sup>1</sup> In August 2018, the Company determined that 367 customers should be transferred to the Medium C&I rate class, and 263 customers on the Medium C&I rate class should be transferred to one of the Company's other rate classes, resulting in a net increase of 104 Medium C&I customers. The difference between this increase and the increase of 78 customers reported in the RDM is likely due to natural fluctuations in monthly customer counts.

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<sup>1</sup> RIPUC NG-GAS No. 101, Section 1, General Rules and Regulations, Schedule A, Sheet 8.